## What is claimed is:

1 1. A method for trading odd-lots of a security	in	а	ın
--	----	---	----

- 2 electronic market for trading securities, comprises
- determining whether an odd-lot exposure limit has been
- 4 exceeded for a market participant; and
- 5 routing a received odd-lot order for execution or
- 6 delivery to a market participant whose odd-lot exposure limit has
- 7 not been exceeded and which is sufficient to satisfy execution of
- 8 the order.

ጠያ ጠያ ከያ1

 $U_2$ 

<u>\_</u>3

4

2

- 1 2. The method of claim 1 further comprising:
- determining whether an interval delay between
  executions of odd-lots by a specified market maker has been
  exceeded before routing a subsequently received odd-lot order for
  execution to the specified market maker.
  - 3. The method of claim 1 further comprising decrementing the odd-lot exposure limit for the market participant against which the received odd-lot order was executed or delivered upon execution or delivery of the received order.
  - 4. The method of claim 1 wherein the electronic market maintains a displayable quote size for the market maker for the
  - 3 security traded in the market.
  - 1 5. The method of claim 1 wherein the displayable quote
  - 2 size for the market maker in the security is not decremented in
  - 3 response to the market maker satisfying the odd-lot order.
  - 1 6. The method of claim 1 wherein the odd allow order
  - 2 becomes executable when the price of the odd-lot order is at the

- 3 best price in the market.
- 1 7. The method of claim 1 wherein the odd-lot exposure
- 2 limit is specified for the security.
- 1 8. The method of claim 1 wherein the odd-lot execution
- 2 manager is a separate mechanism for processing and executing
- 3 orders distinct from normal units of trading.
- 1 9. The method of claim 1 wherein the odd-lot execution
- 2 manager establishes an odd-lot order routing parameter of a
- 3 predetermined number of orders per firm.
  - 10. The method of claim 1 wherein to determine the next available market maker, the process retrieves the next market maker and determines whether the next market maker has a remaining odd-lot exposure limit that can satisfy the order.
    - 11. The method of claim 1, further comprising:
      suspending processing of odd-lot orders for the
      security if the process determines that all exposure limits for
      all market makers have been exceeded.
- 1 12. The method of claim 1 wherein the process remains
  - 2 suspended until a market maker refreshes its odd-lot exposure
  - 3 limit.

1 12

\_\_\_2 \_\_\_3

14 11 12

- 1 13. The method of claim 1 wherein if the exposure is not
- 2 exceeded then, when the odd-lot order becomes executable, the
- 3 odd-lot order will execute against the market maker.
- 1 14. The method of claim 1 further comprising:

- 2 decrementing the exposure limit for the market maker,
- 3 upon execution of the order and placing the market maker at the
- 4 bottom of a queue.

\_\_1 \_\_2

6

7

- 1 15. The method of claim 1 wherein the process executes an
- 2 odd-lot order against a market maker if the market maker has
- 3 sufficient exposure limit to fill the odd-lot order.
- 1 16. The method of claim 1 wherein for an odd-lot that is
- 2 part of a mixed lot having a round lot portion and the odd-lot
- 3 portion, the round-lot portion is executed, using a separate
- 4 mechanism from the mechanism that executes the odd-lot portion.
  - 17. The method of claim 16 wherein the odd-lot portion is at the round-lot price against the next market maker in rotation even if the round-lot price is no longer the best price in the market.
  - 18. The method of claim 1, further comprising:

    aggregating a number of odd lot executions for a

    particular security to produce an aggregate round lot execution

    comprised of odd-lot executions; and

decrementing an Quote/Order size upon execution of the aggregate round lot execution, when the number of odd lots executed equals a round lot.

- 1 19. An electronic market for trading securities, comprises:
- an order execution/routing manager that executes non-
- 3 directed orders against quoting market participant's
- 4 quotes/orders based on a priority;
- 5 a process to determine whether an order is a mixed
- 6 order or an odd lot order;

7 an odd-lot execution process that executes the odd-lot portion of the mixed order or the odd-lot order, comprising: 8 9 a process to determine whether an odd-lot exposure limit has been exceeded for a market participant; and 10 11 a process to route a received odd-lot order for execution or delivery to a market participant whose odd-lot 12 exposure limit has not been exceeded and which is sufficient to 13 14 satisfy execution of the order.

- 1 20. The electronic market of claim 19 further comprising: 2 a process to determine whether an interval delay 3 between executions of odd-lots by a specified market maker has been exceeded before routing a subsequently received odd-lot 4 order for execution to the specified market maker.
  - 21. The electronic market of claim 19 further comprising a process to decrement the odd-lot exposure limit for the market participant against which the received odd-lot order was executed or delivered upon execution or delivery of the received order.
  - 22. The electronic market of claim 19 further comprising: a quote manager process to maintain a displayable quote size for the market maker for the security traded in the market.
  - 1 23. The electronic market of claim 22 wherein the 2 displayable quote size for the market maker in the security is 3 not decremented in response to the market maker satisfying the 4 odd-lot order.
  - 1 24. The electronic market of claim 19, further comprising: 2 a process to suspend processing of odd-lot orders for

4

- 3 the security if the process to determine whether an odd-lot
- 4 exposure has been exceeds determines that all exposure limits for
- 5 all market makers have been exceeded.
- 1 25. The electronic market of claim 24 wherein the process
- 2 remains suspended until a market maker refreshes its odd-lot
- 3 exposure limit.
- 1 26. A computer program product residing on a computer
- 2 readable medium for trading securities in an electronic market,
- 3 comprises instructions for causing a computer to:
  - determine whether a received order is a mixed order or
- 5 an odd lot order;
  - retrieve an odd-lot exposure limit for a next quoting market participant and determining whether the odd-lot exposure limit has been exceeded for a market participant; and
  - route a received odd-lot order for execution or delivery to a market participant whose odd-lot exposure limit has not been exceeded and which is sufficient to satisfy execution of the order.